



ADAPTATION FUND

AFB/B.35.a-35.b/40
13 August 2020

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION
DATE: INTERNATIONAL FUND FOR AGRICULTURAL
DEVELOPMENT (LEBANON)**

Background

1. The Adaptation Fund Board (the Board) at its eighteenth meeting, approved a four-year project titled “Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)”, submitted by the International Fund for Agricultural Development (IFAD) for a requested amount of US\$ 7,860,825 (Decision B.18/18).
2. The aim of the project is to support the implementation of climate change adaptation measures in the agriculture sector in three highly vulnerable areas in Lebanon, targeting the poor smallholders of various communities living in these areas. The executing entity of the project is the Ministry of Agriculture.
3. As mandated by the decision, an agreement was prepared and signed between the Board and IFAD in January 2012 but due to some delays at inception, the project started implementation only on 15 September 2015.
4. The project original completion date was 21 November 2017. However, on November 9, 2017, IFAD submitted to the Secretariat a request for extension of the project completion date for 17 months, with an understanding that the project will submit a second request for extension, since the project steering committee had identified a need for an extension of 30 months overall, due to significant delays since the approval of the project document by the Board. The Board decided to approve the request for a 17-months extension of the project completion date, from 21 November 2017 to 21 April 2019 (Decision B.30-31/6).
5. On 9 January 2019, IFAD submitted a second request for extension of the project completion date from 21 April 2019 to 21 October 2020, which was approved by the Board (Decision B.32-33/18).
6. The implementing entity has submitted so far one project performance report (PPR) to the secretariat. The first PPR was submitted in September 2019 and cleared by the secretariat on 13 August 2020. As of August 2020, a total amount of US\$ 1,589,200 had been disbursed by the trustee, including US\$ 124,500 in implementing entity fees, corresponding to 20% of total approved project funding.
7. On 24 July 2020, IFAD has submitted a third request for extension of the project completion date (Annex I), requesting a no cost extension of 18 months from 21 October 2020 to 21 April 2022 in order to complete the project’s main activities in line with the list of planned outputs in annex II.
8. The justification for an additional request for extension, as outlined in the memo shared by IFAD, includes the following: the AgriCAL project faced a significant start up delay due to the delayed establishment of new fund management procedures in Lebanon. After the approval of the second request for extension, project implementation stalled from April to October 2019 since the project still required a Ministerial extension decree, which could not be issued before October 2019 due to the absence of an effective government.
9. Recently Lebanon has been facing a deceleration of its economic activity resulting from cumulated financial policies’ impact, public debts, taxation system, the 2011-Syrian crisis, the recent banking sector deficiency since October 2019, and lastly the COVID-19 pandemic. The COVID-19 pandemic resulted in severe economic downturn due to the growing number of infected persons, the exhausted national health system and the lockdown measures since March 2020.

10. The AgriCAL project team has developed a framework for accelerated implementation with activities being summarized in the request submitted by IFAD (see Annex I).

11. AgriCAL continues to reflect the national adaptation needs in light of the climate impacts visible in Lebanon and the socio-economic and environmental pressures that prevail over Lebanon since the onset of the Syrian crisis and recent COVID-19 crisis. Rural areas and populations that are targeted by the AgriCAL project are particularly suffering from these combined factors and the project would support in alleviating these pressures.

12. As outlined in the Adaptation Fund Project/Programme Delay Policy (AFB/B.29-30/3/Rev.1; Decision B.29-30/15 and Decision B.34-35/12), a request for an extension of the project completion date must be submitted by the implementing entity at least six months prior to the official completion date. However, due to late processing of the request at the entity and government levels and the COVID-19 outbreak, the request was received after the aforementioned deadline.

13. The request for extension in Annex I was also accompanied by a List of outputs planned and corresponding projected costs for the additional 18 months period (Annex II).

Secretariat's review of the request

14. Following a review of the request by the secretariat and considering the explanation provided by project's Implementing Entity (IFAD) related to the multiple economic challenges that the project has been facing that are beyond the control of the IE, including the most recent challenges from the COVID19 outbreak, the secretariat believes that this request of a further 18 months extension is justified. As evidenced by the memo provided by IFAD (Annex I), it is noted that this request for extension will ensure the finalization of planned project activities. The Designated Authority has been notified of the request.

Recommendation

15. The Board may consider and decide to approve the request for an additional 18 months extension of the project completion date from 21 October 2020 to 21 April 2022 for the project "Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)", as requested by IFAD.

Annex

- I. Request for an extension of the project completion date from IFAD
- II. List of planned outputs during the period of extension

Annex I: Request for an Extension of the Project Completion Date, submitted by IFAD***Request for extension of project/programme completion date***

AF Project / programme ID: GRANT NO. C-AF-I-LB			
Project / programme:		Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	
Country:		Lebanon	
Project/Programme Approval		21-Nov 2013	
Expected Project/programme Completion	21-October 2020	Proposed Revised Completion	21 April 2022

Reasons/justifications for the extension of project/programme completion

The AgriCAL project faced a lengthy delay in starting up due to delayed establishment of new fund management procedures in Lebanon, as explained in the first extension request.

The agreement was signed in November 2013, but inception activities started only in March 2017, with the establishment of the Project Coordination Unit (PCU).

In order to implement foreseen activities through an accelerated work plan, the Government of Lebanon and IFAD submitted a request for a 36 months extension in September 2017.

As per the Adaptation Fund rules, extensions of up to 18 months (renewable) can be considered. Therefore, a first extension of 17 months was granted until April 2019 (Intersessional Decision B.30-31_6). The second 18-month extension was approved in March 2019 (up to October 2020) (Intersessional Decision B.32-33/18).

However, in spite of timely action by IFAD to inform the Government of the approval of the 2nd extension, the project remained completely stalled during the period April - October 2019, as in order for any funds to be committed, the project still required that an "extension decree" be

approved by the Council of Ministers, which happened only in October 2019, because of the absence of an effective government.

Recently Lebanon has been facing a deceleration of its economic activity as a result of multiple factors: public debts and insufficient tax revenue, the 2011-Syrian crisis, banking sector deficiencies since October 2019, and of course the COVID-19 pandemic. This caused a severe economic downturn due to the growing number of infected persons, the exhausted national sanitary and health system and the lockdown measures. All these circumstances constitute a case of force majeure, aggravating delays in the implementation of AgriCAL activities.

The current request proposes to extend the project by an additional 18 months – until April 2022 – even though the government request letters only 12 months, thus allowing the project to complete its main activities that are planned for the coming 18 month as presented in Annex IV.

This request is compliant with Adaptation Fund rules for extension: it has a strong rationale, no additional funds are required and the scope of the project has not changed.

Progress to date and the Accelerated Action Plan

The AgriCAL project team has been very active in the past year to start the ground work for an accelerated implementation. Main activities undertaken are summarized below:

Component One: Water Management

- The installation of rainwater harvesting systems from greenhouse rooftop will be installed within 3 months and should be finished before September 2020.
- Thirteen complete studies for the implementation of the main irrigation networks planned for HASAD hill lakes.
- Ten bidding documents related to the Supply and installation of irrigation networks for ten hill lakes in Lebanon were prepared and finalized in the last months.

Due to COVID 19 crisis, the bid submission deadline of these bidding documents was delayed two months. The first bid opening related to the mentioned works started on 28 of May 2020, and all ten contracts will be signed by the end of July 2020 and works delivered before October 2020.

Component Two: Adaptation Techniques Roll-out

- Due to the restrictive measures forced by the COVID 19, the Procurement and Installation of weather stations, and the Procurement and installation of one EWS software in Lebanon were

stopped. An extension phase would allow the Government to launch this activity. This activity is particularly important for the Lebanese Agricultural Research Institute (LARI) in the development of a system to link early warning information to irrigation practices and cropping patterns as well as integrated pest management for better agriculture.

-The Purchase of Satellite Images and the installation of equipment for LARI laboratories were stopped also due to the same reasons.

-The Procurement of Miscellaneous Irrigation parts, fertilizers and pesticides, Procurement of equipment for the training center, Procurement of GPS tracking device, Procurement of Multifunctional Printers, Procurement of Server and related equipment, and Procurement of Pheromone traps started and should be finished before the first of October.

Component Three: Rangeland Management

- The first Derived Rangeland Map in Lebanon was produced by the project.

- Two rangeland management plans for the Caza of Baalback and Nabatieh are in process.

- Due to unfavorable weather conditions and the shutdown of the airport due to COVID 19, the assignment with the expert in the construction of *hafeers* and check dams, and a topograph will start by the end of June 2020 and will finish by the end of September 2020. The extension period for the project is crucial to implement the planned infrastructure to reduce the annual damages of the flood on the agricultural sector in the rural areas.

-Due to time limitation and COVID19 Crisis, the "Purchase of equipment for beekeepers", "Procurement of fences", "the procurement of drinking troughs for sheep and goats", and "the purchase of equipment for dairy processing" were stopped, notwithstanding the readiness of the tender documents.

-The bid opening for the "Rehabilitation of the Abdeh Nursery for the Ministry of Agriculture" was held on the 13th of May 2020, and the works should be finished before the first of October 2020.

Component Four: Climate index-based insurance, Policy and Knowledge management

- Two consultants prepared the following reports: "Linkages between Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA) in the agriculture sector", and "Mapping of existing adaptation measures under the agricultural sector".

- Advocacy activities are expected to be launched shortly following on these activities.

AgriCAL remains a national priority, in light of the evidence of climate change visible in Lebanon for few years on one hand, and the socioeconomic and environmental pressures that prevail

over Lebanon since the onset of the Syrian crisis and the recent COVID 19 crisis. Rural areas and inhabitants are particularly suffering from these combined factors. The project would support in alleviating these pressures.

The Government of Lebanon has reiterated its commitment to make all the necessary institutional, technical and administrative support to enable AGRICAL achieve its objectives. The PCU team is committed and determined to reach the best results by end of the proposed date (subject of the extension request). IFAD had established with the Government specific milestones to be achieved during the extension period, failure to reach those milestones, will lead to anticipated project closure. IFAD is confident that the project's implementation challenges have been overcome and stands ready to assist the Government of Lebanon in order to reach successfully its objectives.

Annex I Letter of Minister of Agriculture requesting extension of AgriCal

Annex II Letter of Minister of Environment (NDA) requesting extension of AgriCal

Annex III Progress Report until February 2020.

Annex IV: List outputs planned and corresponding projected cost for the additional 18 months period .

Implementing Entity certification

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the designated authority (DA) has been notified.



Margarita Astralaga, Director
Environment, Climate, Gender and Social Inclusion Division (ECG)
International Fund for Agricultural Development (IFAD)

Date:

24.07.2020

Tel: +393358176237

Email: m.astralaga@ifad.org

Output 3.1 Community-based sustainable rangeland management plan prepared			2020						2021											
			J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Expert in Rangeland management plan	27 983.00	September, 2020	■	■	■															
Participatory approach with the local users of rangelands	16 650.00	October, 2020	■	■	■	■														
Procurement of fodders for shepherds to support income diversification	150 000.00	January, 2021	■	■	■	■	■	■	■	■										
Workshops for fodder activity (Room, bus, meal and logistic)	4 000.00	January, 2021	■	■	■	■	■	■	■	■										
Sub-total Output 3.1	198 633.00																			
Output 3.2 Restored degraded rangeland areas and reduced flood risks (Faara and Nahle valleys)																				
Elaborating site specific implementation plans	12 000.00	December, 2020	■	■	■	■	■	■	■											
Rehabilitation of MoA nurseries	195 000.00	December, 2020	■	■	■	■	■	■	■											
Procurement of fences for the protection of rangeland from degradation	157 000.00	April, 2021	■	■	■	■	■	■	■	■	■	■	■	■	■	■				
Topo -Surveyor	10 000.00	December, 2020	■	■	■	■	■	■	■											
Sub-total 3.2	374 000.00																			
Output 4.3 Knowledge management system established and knowledge management activities implemented																				
Consultant to prepare dissemination material	10 000.00	November, 2020	■	■	■	■	■	■	■											
Developing appropriate knowledge products	10 000.00	February, 2021	■	■	■	■	■	■	■	■										
Conducting a study tours to the project areas -	4 000.00	October, 2021	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Producing audio-visual material	30 000.00	October, 2021	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Organizing a national forum	7 500.00	October, 2021	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Sub-total Output 4.3	61 500.00																			